

Health Insurance:

Your Options When You Retire

Presented by

The Health Insurance Team

*Montgomery County Government
Office of Human Resources (OHR)*

Updated 12/18/2014



During the Presentation, Please...

- Ask only general (not personal) insurance questions
- Write down any personal health insurance inquiries on the provided yellow pads; hand your sheet to the presenter after the presentation

Thank you for ensuring that your personal health information remains private!

What Happens to Your Insurance?

- Generally, you may take your life and health insurance with you into retirement. It is the same coverage as that offered to active employees except that the following plans are not available:
 - NVA Vision Plan
 - Dental DHMO
 - Flexible Spending Accounts (FSAs)

Changing Your Health Insurance

Retirement is considered a qualifying status change (life event), so you are able to make changes to your health insurance now!



Also, each fall, you can make certain changes to your health insurance during Open Enrollment. Changes made are effective the following plan year. Otherwise, you must have a qualifying status change (“life event”) to make changes during the year...

Changing Your Health Insurance

Examples of a change in status:

- Marriage, divorce, remarriage
- Birth or adoption of a dependent
- Death of a dependent
- Spouse's loss of coverage under another plan
- Unable to verify dependent eligibility or disability
- Court-ordered custody of minor child(ren)

Changes for life events are effective when all completed paperwork and supporting documentation is received by OHR, except newborns/adoptions **which** are effective retroactive to date of birth/adoption. You have 60 days from the date of the event to notify OHR of your qualified status change.

Eligible Dependents

For Medical, Rx, Dental & Vision



Your spouse or domestic partner if:

- Legally married? YES
- If my domestic partner is registered with the County? YES
- Divorced or the domestic partnership has dissolved? NO

Your children who are your biological children, legally adopted children, stepchildren, children of a domestic partner or children under your legal custody *and* who are either:

- Under age 26? YES
- Age 26 and over? NO, UNLESS INCAPABLE OF SELF SUPPORT

Relatives:

- Sisters, brothers, parents or parents-in-law? NO
- Grandparents, grandchildren, aunts, uncles, cousins, nieces or nephews? NO

Eligible Dependents

For Medical, Rx, Dental & Vision



- **For a Biological Child:** State Birth Certificate* (For newborns, OHR will accept hospital discharge papers for first 60 days; birth certificate must then be submitted)
- **For an Adopted Child:** Copy of Adoption or Placement for Adoption Papers
- **For a Step Child:** State Birth Certificate*, Marriage Certificate and Divorce Decree or Custody Papers
- **For a Disabled Child:** Medical plan verification of disability prior to age 26
- **For Legal Custody:** Copy of Court Order granting legal custody

* Must show plan member or spouse/domestic partner as parent

Eligible Dependents

For Medical, Rx, Dental & Vision



What is considered proof of eligibility?


- **To add a Spouse:** Official State Marriage Certificate (certified by appropriate State or County Official)
- **To add a Domestic Partner:** County's Domestic Partner Affidavit or an official copy of a State issued Domestic Partnership Registration

Eligible Dependents

For Medical, Rx, Dental & Vision



Official State Marriage Certificate (certified by appropriate State or County Official)

 *Certificate of Marriage*
State of Maryland
BALTIMORE COUNTY (03)

LICENSE NO. 12345

I Heroby Certify that on the 15th day of June 1999
the following persons were by me united in marriage at Baltimore
(City or Town)
in accordance with the License of the Clerk of the Court in the jurisdiction shown above.

Groom's Name John Doe Humperdink Age 23 Birthplace Maryland
(State)
Residence Glen Burnie A. A. Co. Maryland Marital Status Single
(Town or City) (County) (State)
Bride's Name Jane Doe Gottago Age 27 Birthplace Maryland
(State)
Residence Baltimore, 07 Balto. Co., Maryland Marital Status Single
(Town or City) (County) (State)
Relationship to groom if any None

Signature of Officiating Minister or Authorized Officer
James Michael Smith
Title and Religious Discrimination of Office
Quaker Pastor
Address of Minister or Authorized Officer
6950 Nigwood Rd 21007

License Date April 19 1999

Not acceptable


Office of the Clerk of the Circuit Court for Montgomery County, MD

State of Maryland Montgomery County, Sct.

I HEREBY CERTIFY, That a Marriage License was issued to
Drew Hill Aberdeen Age 29 Marital Status SINGLE
Carey Amanda Fisher Age 27 Marital Status SINGLE
on the 6th day of February A.D. 2014
as appears by the Record of Marriage Licenses of this office, Liber 850 Folio 74

And I further certify that a Certificate of Marriage was returned to this office on
March 5, 2014, by Stephen Hawkins, Minister or Authorized Official,
showing that the above named parties were married at SILVER SPRING, MD
on March 1, 2014

In Testimony Whereof, I hereunto subscribe my name and
affix the seal of the Circuit Court for Montgomery County,
at Rockville, Maryland, this 15th
day of May A.D. 2014


Lyndia E. Knight
Lyndia E. Knight
Clerk of the Circuit Court for Montgomery County

LHC9 20121205

Acceptable

Eligibility



If you are a member of the optional or integrated plan under the Montgomery County Employees' Retirement System (ERS) and hired **before July 1, 2011**, and retire under a normal, early, disability or discontinued service retirement, you are eligible for health insurance benefits. However, you are **not** eligible for health insurance if you leave County service prior to retirement eligibility with a deferred vested benefit payable upon your normal retirement date.

<i>If you belong to Group</i>	<i>Early Retirement at least...</i>	<i>Normal Retirement at least...</i>
A, AZ, AK or H, HZ, HK, or AB AT, AS, or UZ, UK A/H (SLT or police TCC supv. or on-supv.)	15 years of service and age 50 20 years of service and age 45	5 years of service and age 60 30 years of service and age 55 30 years of service and age 50
E, EZ, EK	15 years of service and age 45 20 years of service and age 41	15 years of service and age 55 25 years of service and age 46
F, FZ, FK	15 years of service and age 45 20 years of service and age 41	15 years of service and age 55 25 years of service and any age
DRSP Entry		25 years of service and age 46
G, GZ, GK	N/A	15 years of service and age 55 20 years of service and any age
DROP Entry		Eligible for normal retirement

Eligibility



If you are a member of the Montgomery County Elected Officials' Plan (EOP, Group ZK), the Retirement Savings Plan (RSP, Group RN, RM, RC, RP), or the Guaranteed Retirement Income Plan (GRIP, Group CN, CM, CC, CP, CZ) and hired **before July 1, 2011**, you are eligible for health insurance upon separation from service if your age and credited service under a County Retirement Plan at the time of separation from service meet the following:

<i>If you belong to Group</i>	<i>And you have credited service of at least</i>	<i>And your age is at least</i>
RN, RM RC; or CN, CM, CC, CZ; or ZK	5 years 15 years 20 years	60 50 45
RP, CP - Police, Corrections, Sheriffs	15 years 20 years	45 41
RP, CP - Fire	20 years	Any age

Eligibility



If you are a member of any County retirement plan and hired or rehired as a permanent employee on or after **July 1, 2011**, you must have **at least 10 years of County service** (credited under a County retirement plan) to be eligible for health insurance continuation when you leave County service. All other eligibility criteria remain the same as for employees hired before July 1, 2011 in the previous charts (e.g., must have 15 years of credited service and be at least 50 years old).

How Much Will You Pay For Insurance At Retirement?



If your most recent hire date was before January 1, 1987, you have a choice of premium cost shares. You can either:

A) Elect the 80/20 cost share, meaning that 80% of your premium is paid by the County and 20% by you for the length of time you were eligible for health insurance. You or a surviving family member will be responsible for 100% of the premium at the end of that time period.

For example, if you were eligible for health insurance for 20 years and 6 months and were retiring on 5/1/2015:

5/1/2015 + 20 and 6 = November 1, 2035 @ 100% **OR**

B) Elect the lifetime cost share of 70%* paid by the County and 30%* paid by you. The County will always contribute 70% toward your health insurance coverage. (*The percentage will depend upon your actual length of County service as described in the next slide.)

The premium cost share election is a one-time irrevocable choice.

How Much Will You Pay For Insurance At Retirement?



If your most recent hire date was on or after January 1, 1987 but before July 1, 2011, then the cost share arrangement at right applies to you.

Note: “Years” refers to years of eligibility under the health insurance plan; it does not include any transferred or purchased service, or any sick leave converted to credited service for ERS purposes.

Years of service	You pay
5	50%
6	48%
7	46%
8	44%
9	42%
10	40%
11	38%
12	36%
13	34%
14	32%
15+	30%

How Much Will You Pay For Insurance At Retirement?



The cost share arrangement shown at right applies to you if your most recent hire date was on or after July 1, 2011.

Note: “Years” refers to years of eligibility under the health insurance plan; it does not include any transferred or purchased service, or any sick leave converted to credited service for ERS purposes.

Years of service	You pay
10	50.00%
11	48.67%
12	47.34%
13	46.00%
14	44.67%
15	43.34%
16	42.00%
17	40.67%
18	39.34%
19	38.00%
20	36.67%
21	35.34%
22	34.00%
23	32.67%
24	31.34%
25+	30.00%

Imputed Income for Domestic Partner Health Benefits



What is imputed income and how does it affect domestic partner benefits?

- The IRS defines imputed income as: non-cash, employer-provided benefit that is considered taxable
- The cost of health insurance benefits is taxable and becomes *imputed income* for a domestic partner and any children of a domestic partner
- The cost for health insurance benefits is not taxable for spouses and their dependents

How Do You Pay Your County Insurance Premiums at Retirement?



Members of the Retirement Savings Plan (RSP) or Guaranteed Retirement Income Plan (GRIP): You are billed directly for your health insurance through the County's third party administrator, Benefit Strategies. For more information, contact them at 1-888-401-3539 or <http://benstrat.com/participants.php>.

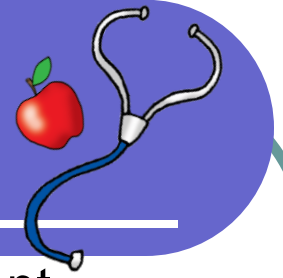
Members of the Employees' Retirement System (ERS): Your health insurance premiums are deducted directly from your pension paychecks. If there are not enough funds to cover the health insurance premiums, the member is direct billed as described above.

Can Your Spouse Keep Your Insurance...

If You Predecease Your Spouse?

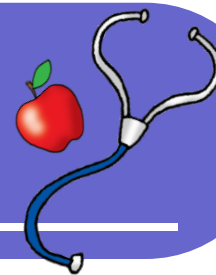
- YES! As a retiree, your spouse will be offered the option to remain on the County's health insurance plan for the rest of his or her life.
- The cost share percentage that you choose when you retire remains the same for your surviving spouse.

What Is Medicare?



- Part A of Medicare is mandatory and covers most inpatient hospitalization benefits after the \$1,260 deductible.
 - Part A is effective the month in which you turn 65.
- Part B of Medicare covers 80% of doctor bills and other outpatient expenses after the \$147 deductible; it is required if you want to receive benefits from your County medical plan.
 - CareFirst BCBS and United Healthcare will process your claims as if you had elected Part B, whether you elect Part B or not. This means significantly lower benefits (or no benefits) if you do not elect Part B.
 - You cannot continue in the Kaiser plan unless you elect Part B and enroll in the Kaiser Medicare Plus Plan.
- Part D of Medicare covers a major portion of prescription costs.
 - The County's prescription plan works together with Medicare Part D to maintain your current coverage level; this process is administered through SilverScript.
 - You should not to elect a separate Medicare Part D plan if you want the County's plan through SilverScript; enrollment via SilverScript is automatic.
 - SilverScript does not apply to Kaiser participants.

Medicare Parts A & B: When Do You Need to Apply?



Generally, you need to apply for Medicare Parts A & B at age 65. The only situations in which you do not need to apply for Medicare at age 65 are:

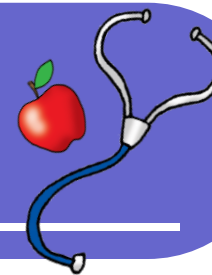
- If you are still actively employed (post age 65), or
- You are the covered dependent of someone still working with employer-provided insurance.

In these cases, you can apply during a special enrollment period within 3 months prior to or 3 months after either your or your spouse's retirement date.

IMPORTANT: If you do not apply for Medicare when you reach 65 or upon your or your spouse's retirement, you may be charged premium penalties assessed by Social Security.

Medicare Parts A & B:

Part B Premiums Are Based on Income

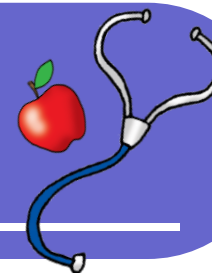


Part B premiums by income

If your yearly income in 2013 (for what you pay in 2015) was

File individual tax return	File joint tax return	File married & separate tax return	You pay (in 2015)
\$85,000 or less	\$170,000 or less	\$85,000 or less	\$104.90
above \$85,000 up to \$107,000	above \$170,000 up to \$214,000	Not applicable	\$146.90
above \$107,000 up to \$160,000	above \$214,000 up to \$320,000	Not applicable	\$209.80
above \$160,000 up to \$214,000	above \$320,000 up to \$428,000	above \$85,000 up to \$129,000	\$272.70
above \$214,000	above \$428,000	above \$129,000	\$335.70


Medicare Part D: SilverScript & IRMAA



Medicare charges high income retirees the Income Related Monthly Adjustment Amount (IRMAA) because the SilverScript Plan is a Part D plan:

If your filing status and yearly income in 2013 was...			You pay (in 2015)
File individual tax return	File joint tax return	File married & separate tax return	
\$85,000 or less	\$170,000 or less	\$85,000 or less	your plan premium
above \$85,000 up to \$107,000	above \$170,000 up to \$214,000	Not applicable	\$12.30 + your plan premium
above \$107,000 up to \$160,000	above \$214,000 up to \$320,000	Not applicable	\$31.80 + your plan premium
above \$160,000 up to \$214,000	above \$320,000 up to \$428,000	above \$85,000 up to \$129,000	\$51.30 + your plan premium
above \$214,000	above \$428,000	above \$129,000	\$70.80 + your plan premium

Home	Alerts	Translate	A A+ A++
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Residents
Businesses
Government
Departments
Online Services
MC311

Montgomery County Maryland Office of Human Resources

[Careers](#) | [Emergency](#) | [HR Online](#) | [MC Portal](#)

OHR Home - Retiree Prescription Plan News

- [Benefits \(+\)](#)
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- [EEO & Diversity](#)
- [Emp. Verification](#)
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SilverScript Medicare Part D Prescription Plan for 2015

Effective January 1, 2015: Medicare-eligible Montgomery County Government retirees and their Medicare-eligible dependents who have coverage through either the Indemnity medical plan or one of the County's Caremark prescription plans (High or Standard Option) will have their prescription drug coverage provided by Caremark's Medicare Part D subsidiary, SilverScript. These individuals will receive prescription drug coverage through a Medicare Part D Employer Group Waiver Plan (EGWP). This plan will have a "wraparound" feature (Wrap) to ensure coverage will continue at current levels. (Note: This change will not affect Kaiser members.) This change of administrator will be automatic and seamless, and will not reduce current prescription drug coverage.

County / SilverScript Communications

- FAQs About SilverScript's Medicare Part D Prescription Plan for 2015 (mailed via MCREA's Sept. 2014 Newsletter)
- Retiree Open Enrollment Preview & SilverScript Info (8/27/2014)
- Medicare Part D Prescription Presentation from MCREA's Annual Meeting (6/04/2014)
- Postcard (mailed to homes 5/9/2014)
- Prescription Plan Changes for Retirees & Covered Family Members Who Are Medicare Eligible (mailed via MCREA's March 2014 Newsletter)
- Reminders Regarding SilverScript & the Medicare Part D Prescription Plan

Webcasts

The Medicare Part D webcast presentation and panel discussion from MCREA's Annual Meeting held 6/4/2014 is now available for viewing in three parts.

- Medicare Part D Presentation
- Medicare Part D Question & Answer Part 1
- Medicare Part D Question & Answer Part 2

Important Links and Resources

- SilverScript at 1-866-249-6167 Toll Free
www.mcgs.silverscript.com
- Common Acronyms & Terms List
- MCREA Membership Brochure
- MCREA Website
- Health Insurance Contacts for Retirees
- Medicare Part D Additional Premiums for High Income Retirees

Medicare Part D Communications

- To be posted as they become available

Basic Life Insurance



- As an active full-time employee, the face value of your Basic Life Insurance policy is one times your annual salary.
- The face value at retirement is calculated:

Active life ins. amount multiplied by years of service*
(up to 20 years) multiplied by 5% (20 x 5% = 100% of active life amount)

$$\text{\$70,000} \times 20 \times 5\% = \text{\$70,000}$$

*Years of service is the number of years and months that you were eligible for health insurance coverage--NOT credited service used for your retirement calculation.

Basic Life Insurance



- This amount remains the value of your policy for the first 5 years after you retire or at age 65, whichever is earlier.
- Beginning on your 5th retirement anniversary, the value of your policy will reduce by 10% of the initial value; continuing to reduce each year afterwards.
- **BUT**, the face value will never go lower than 25% of the original value:
 $\$70,000 \times 25\% = \$17,500$
- Your policy will reduce automatically to the minimum value on your 65th birthday, and then the County pays the full premium of your life insurance.

Basic Life Insurance



Here is an example of a life insurance reduction schedule:

5/1/15 = \$70,000

5/1/20 = \$63,000

5/1/21 = \$56,700

9/1/21 = \$17,500 At age 65

Note: 65th birthday is 9/1/21 so reduction to 25% would occur on 65th birthday.

Imputed Income

For Basic Life Insurance above \$50k



- Imputed income affects the amount of Basic Life Insurance above \$50,000.
- If you receive County-provided Basic life insurance with a value equal to or greater than \$50,000 in any given year, the value of the coverage is considered imputed income and is taxable income to you.
- For more information, visit:
www.montgomerycountymd.gov/ohr/benefits/rgi/retireebenefits.htm
|

Optional Life Insurance



- You may continue Optional Life insurance into retirement provided your coverage was in effect at the time of retirement.
- The coverage remains the amount in effect at the time of retirement.
- The cost is 100% retiree paid.
- Coverage ends at age 70.
- Coverage may be converted to an individual policy through the Minnesota Life Insurance Company.

Dependent Life Insurance



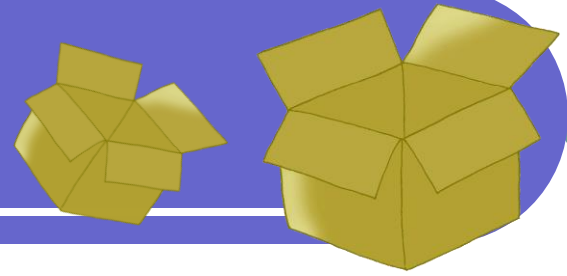
- You may continue Dependent Life insurance into retirement provided your coverage was in effect at the time of retirement.
- The coverage remains the amount in effect at the time of retirement.
- Option 1 is 75% retiree paid; Options 2 and 3 are 100% retiree paid.

Option 1: \$2,000 eligible spouse/\$1,000 unmarried children under age 26

Option 2: \$4,000 eligible spouse/\$2,000 unmarried children under age 26

Option 3: \$10,000 eligible spouse/\$5,000 unmarried children under age 26

Moving out of state?



Kaiser is not available nationwide, so participants must elect either United Healthcare or one of the CareFirst BCBS POS Out-of-Area Plans (High or Standard Option). Also, because Kaiser includes prescription drug coverage, Kaiser participants must elect one of the separate Caremark Prescription Plans (High or Standard Option).

The **CareFirst BlueCross BlueShield (BCBS) Point-of-Service (POS) offers a nationwide component plan** called “CareFirst BCBS POS Out of Area.” It provides in- and out-of-network benefits if you reside outside the POS network service area. Enrollment in the Out of Area Plan is automatic for retirees who move/reside outside the POS network service area.

United Healthcare is available nationwide, so participants do not need to do anything to continue the same coverage.

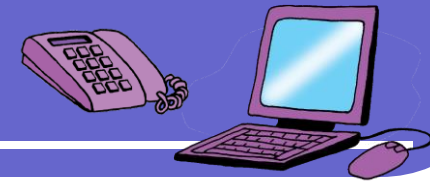
IMPORTANT: Any changes to your health insurance must be made **within 60 days of your move** by completing a Retiree health Insurance Election Form, available online at www.montgomerycountymd.gov/ohr (click Forms).

Benefits Reminders



- You are responsible for your benefits!
- Read the materials handed out today.
- Read materials mailed to your home and let us know if you move by completing a Retiree Personal Data Form, available online through the Benefits section of the OHR website.
- Keep copies of all paperwork for your own records.
- Review deductions on your pension check.

Resources



A handy resource is the Benefits section of the OHR website. Go to www.montgomerycountymd.gov/OHR and then select “Retiree Health Insurance” from the “Benefits” drop-down menu at left for the latest news, materials and Health Insurance Contacts list.

A screenshot of the Montgomery County Maryland Office of Human Resources website. The page features a navigation bar with links like Home, Alerts, Translate, and a search bar. A dropdown menu for 'Benefits' is open, showing options like Employee Assistance Program, Employee Health Insurance, and 'Retiree Health Insurance', which is circled in red with a red arrow pointing to it. The main content area is titled 'Montgomery County Maryland Office of Human Resources' and includes sections for 'Health Insurance Materials', 'Latest News', and 'Top Links'. The 'Health Insurance Materials' section lists dental and life insurance materials. The 'Latest News' section includes several 'NEW!' announcements about retiree open enrollment, Medicare Part D, and pre-retirement health insurance classes. The 'Top Links' section provides links to retiree rates and registration instructions.

Home Alerts Translate [A- A A+] Search

MONTGOMERY COUNTY Maryland

Residents Businesses Government Departments Online Services MC311

Benefits (-)

- Employee Assistance Program
- Employee Health Insurance
- Retiree Health Insurance**
- Retirement
- Wellness

Classification & Comp.

EEO & Diversity

Emp. Verification

Exit Process

FAQs

Forms

Internship Program

Labor/Emp. Relations

Multilingual Program

Montgomery County Maryland Office of Human Resources

Careers | Emergency | HR Online | MC Portal

OHR Home - Retiree Health Insurance

Health Insurance Materials

Dental Plan Materials (Forms)

- UCCI Dental PPO Summary
- UCCI Dental PPO At-a-Glance
- UCCI Dental DHMO Details

Life Insurance Materials (Forms)

- Life Insurance Booklet for 2014

Medical Plan Materials (Forms)

- 2014 Comparing Your Medical Benefits (non-Medicare)
- 2015 Comparing Your Medical Benefits (non-Medicare)
- BCBS Vaccine Information
- BCBS Indemnity Summary Description for 2014
- BCBS Indemnity Summary Description for 2015
- BCBS Summary for Indemnity & POS
- BCBS Indemnity Booklet
- BCBS Indemnity Rx Announcement
- BCBS Indemnity Rx Guide

Health Insurance Contacts for Retirees

Retiree Forms

Latest News

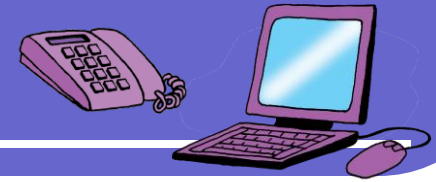
- **NEW!** Retiree Open Enrollment Preview
- **NEW!** Medicare Part D Prescription Plan (EGWP+Wrap) News
- **NEW!** 2015 Pre-Retirement Health Insurance Class Schedule
- **NEW!** "Planning for Retirement" Class PowerPoint Presentation
- 2014 Pre-Retirement Health Insurance Class Schedule
- Pension Protection Act Information for 2014

Top Links

- Retiree Rates for 2014
- Retiree Rates for 2015
- AccessMCG Registration Instructions for Retirees

My Health Insurance Package

How to Contact Us



If you have questions that cannot be answered by browsing our website or calling a plan provider on the Health Insurance Contacts list, please contact the OHR Health Insurance Team through MC311 by dialing 311 or 240-77-0311 locally, or toll-free at 1-877-613-5212.

Legal Information

The County expects to continue its **health insurance plans**, but it is the County's position that there is no implied contract between employees and the County to do so, and the County reserves the right at any time and for any reason to amend the terms of the plans or terminate the plans, subject to the County's collective bargaining agreements. The County may also amend the plans at any time, either prospectively or retroactively, as required by federal law.

Thank you

We hope you have enjoyed learning about your retiree health insurance package. Thank you for allowing us to serve your health insurance needs.

OHR Health Insurance Team

